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LOOKING FOR A CONSTITUENCY

U.S. Africa Policy: On the Road

Under increasing fire from African nations at the UN and from right-wing critics at home, the Carter administration made a special effort last week to generate public support for its southern Africa policies. For the first time in its presentation of Africa issues, the State Department experimented with an all-star traveling road show format—dispatching UN Ambassador Andrew Young and five top Africa specialists to San Francisco for a day-long conference on “U.S. Foreign Policy in Africa.”

Sponsored by the World Affairs Council and attended by a capacity crowd of 1,400, the conference took place as angry African diplomats beseeched the UN Security Council to impose economic sanctions against South Africa for reneging on its acceptance of the UN independence plan for Namibia. In a keynote speech to the conference, Young called South Africa's decision “totally ridiculous” but rejected the African call for sanctions.

While admitting that it lagged behind the African nations on the Namibia issue, the State Department portrayed itself as moving too fast for most Americans in pushing for majority rule in Namibia, Rhodesia and South Africa. In workshops and interviews, State Department officials suggested that they were in a vulnerable position: caught between the demands of African states and the intense lobbying from conservative Americans who believe the Carter administration is selling out the white-minority regimes in southern Africa. “Recently, the forces of

the right have been more active than the democratic forces,” Young declared, openly soliciting more visible support from his relatively liberal San Francisco audience and challenging his leftist antagonists to mobilize a movement around southern Africa issues similar to the anti-Vietnam war movement. In identifying right-wing pressure on the administration, Young specifically mentioned the vigorous lobbying efforts of pro-Rhodesia Senator Jesse Helms [R-N.C.], who together with Senator S. I. Hayakawa [R-Cal.] successfully pushed the State Department to grant a visa to white-minority leader Ian Smith last month.

“We have had some setbacks in our Africa policy,” Young acknowledged. “I think maybe Ian Smith sacked us. He threw us for a loss [by campaigning for his “internal settlement” in the U.S.] and then went back to bomb Zambia and to say before a controlled press in Rhodesia the lie that he had won the support of the Senate and this administration.”

In an interview, Assistant Secretary of State for African Affairs Richard Moose said the State Department rescinded its opposition to Smith's visit because of “the weight of concern” in the Senate and because of “the view on the part of many Americans that it was the American thing to do to allow Mr. Smith to come here to state his position.”

Young's deputy at the UN, Donald McHenry, echoed the

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“A CHANGE THAT CHANGES NOTHING”?

Nicaragua: The Opposition Plan

The U.S.-sponsored mediation aimed at cooling off the Nicaraguan crisis has so far produced two important developments: an opposition plan for the resignation of President Anastasio Somoza, which has already been rejected by Somoza's political party, and a schism in the main opposition coalition.

On October 25 the group known as *Los Doce* (The Twelve)—well-known civic leaders who represented the Sandinistas (*Tercerista* faction) in the Broad Opposition Front—withdraw from the Front and the mediation. They charged that the opposition plan would “leave practically intact the corrupt structures of the Somoza apparatus.” At the same time, Sandinista forces stepped up hit-and-run attacks on government National Guard troops. On October 25, five members of *Los Doce* then in Managua sought asylum in the Mexican embassy, and Nicaraguans braced themselves for a new round of fighting between Sandinistas and the National Guard.

The withdrawal of *Los Doce* leaves the Broad Front cut off from the Sandinista National Liberation Front, which is now openly opposed to the mediation and the opposition plan. Three main forces are now contending in the complicated Nicaraguan situation:

- The Broad Opposition Front (FAO): Always a tenuous coalition of 15 widely disparate groups, the FAO now seems to reflect mainly the views of the business community which opposes Somoza partly because his family interests so dominate

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Commander Eden Pastora, Pres. Anastasio Somoza

Africa

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argument that popular opinion is a drag on the "liberalization" of State Department policies. "There is an absence of domestic political consensus on which our foreign policy in southern Africa depends," McHenry told Internews. "I am pretty sure that we are out in front of what the public would support." McHenry cited "domestic politics" as the reason for the Carter administration's failure to establish normal diplomatic relations with Angola's leftist, Cuban-backed government.

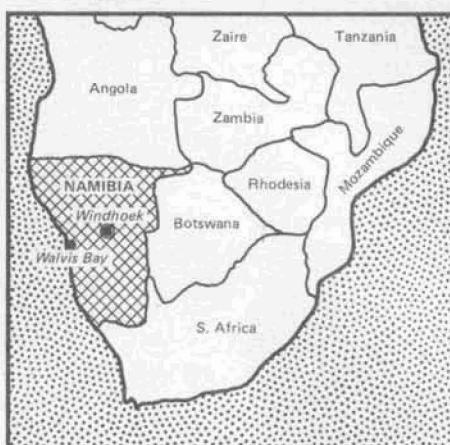
In their bid for more popular support, Young and his fellow State Department officials stressed the argument that the Carter administration's Africa policy represents a sharp break from that of previous administrations and has ushered in "a new era" in U.S.-African cooperation.

Describing this shift, U.S. Ambassador to Nigeria Donald Easum told the conference that his former chief, Henry Kissinger, "didn't know how to spell Namibia. He didn't know where it was on a map." Kissinger fired Easum from the State Department's top Africa post because Easum advocated closer ties with independent African countries like Nigeria and Mozambique. Now he is actively pursuing the Carter administration's new policy of forging firm bonds with oil-rich Nigeria.

To emphasize what Young characterized as President Carter's new "moral, human rights approach" to U.S. policy in Africa, the State Department representatives claimed that Angola-style CIA intervention was a thing of the past. "I think the likelihood of that kind of involvement is minimal," McHenry declared. "As a matter of national policy, we simply don't engage in that kind of activity any more."

Despite the assurances that the days of U.S. military and CIA intervention in Africa are over, McHenry acknowledged that African liberation movements remain

extremely skeptical of U.S. intentions. He blamed this suspicion on the record of previous U.S. administrations rather than on Carter's indirect intervention in Zaire last spring or the current U.S. role in southern Africa. "It's hard to live down the past," he said. The U.S. "had made serious mistakes in Africa," including support for Portuguese colonialism, and "we're still paying for it now." McHenry argued that this history made it difficult for him to establish anything more than "shaky trust" with liberation movements, such as Namibia's SWAPO, with which he must negotiate.



As presented by the State Department, the Carter administration's Africa policy has the following main elements:

- **Trade and investment:** Young leads the way in championing the cause of U.S. capitalism in "partnership" with African development. "We do things better than almost anyone on the earth," Young boasted, adding that even Marxist governments in Africa would have to turn to the West for sophisticated technology and for markets for their mineral resources. Young said he perceived a less ideological, more pragmatic approach toward U.S. investment throughout Africa, as well as a desire for "joint ventures" with U.S. multinationals. "If they had half a chance to get what we [blacks] have in Atlanta, I think all of Africa would want it," Young told the conference.

Young and his associates also contended that despite the poor record of U.S. corporations in South Africa, the multinationals can become a force for changing the apartheid system. "Historically, U.S. corporations have not been very effective," McHenry admitted. "They have used every excuse in the book to avoid playing a responsible role." But he insisted that is beginning to change and urged the companies to recognize African trade unions.

Young, McHenry and the others oppose the withdrawal of U.S. investment and the cutting off of U.S. bank loans as

a way to pressure the South African regime—at least for now.

- **Soviet/Cuban role:** Unlike Carter's National Security Adviser Zbigniew Brzezinski, the State Department "Africanists" tend to play down the Soviet-Cuban "threat." They also make a distinction between Moscow and Havana—being less critical, and occasionally even positive, about the Cuban role in Africa. "There is no question the Soviets love to fish in troubled waters," McHenry said. "As long as there are underlying problems in southern Africa, we can expect the Soviets to try to take advantage of them. But they simply do not have staying power. Their influence did not last in Kenya, Zaire, Guinea, or even Somalia."

- **Rhodesia:** The State Department maintains that an all-parties conference is the best way to negotiate a peaceful settlement to the war. Moose insisted that "it's never been our policy to split the Patriotic Front ... because to exclude ZANU's Robert Mugabe would simply be a formula for civil war." Moose revealed that the U.S. knew in advance of the secret Joshua Nkomo-Ian Smith talks but insisted that Washington understood that Mugabe was to be brought into subsequent meetings.

At the conference, Young described Smith's regime as "neo-fascist." He also noted that many Zimbabweans had been educated in the United States and that there was "a well-developed black middle class" which could be expected to work cooperatively with the U.S. after independence.

- **South Africa:** Although Young in particular has developed a reputation for militant opposition to the apartheid regime, it is clear that for the moment the pressure is off South Africa. They don't like to admit it, but State Department officials have reverted to the old Kissinger strategy: cooperate with South Africa to try to get settlements in Namibia and Rhodesia which are acceptable to the West.

The State Department liberals are also reluctant to admit a simple fact of life in Washington: the Andrew Youngs share decision-making with many others, including the National Security Council, the Pentagon, and the CIA. During the fighting in Zaire, for instance, it became apparent that the State Department's view on the Soviets in Africa was quickly overruled by the more traditional Cold War, interventionist outlook of policymakers like Zbigniew Brzezinski. As yet, there is no indication the U.S. response will be any different the next time an African "hot spot" explodes.

—STEVE TALBOT

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CARTER FACES TOUGH FIGHT IN SENATE

Closing in on SALT II

WASHINGTON — Soviet and American officials are still saying they hope to wrap up a new strategic arms limitation (SALT) agreement before the end of the year and to cap their efforts with a summit meeting between Presidents Carter and Brezhnev where final details of the accord would be settled. But both sides also acknowledge that important, intertwined issues are still unresolved following Secretary of State Vance's SALT talk in Moscow last month.

The Carter administration has already begun a major campaign to win congressional and public support for a new agreement. The resignation of Paul Warnke as chief SALT negotiator and head of the Arms Control and Disarmament Agency (ACDA) was apparently part of the effort to appease hardline critics of the SALT II treaty. Those critics have targeted Warnke as the focus of their opposition from the time he was nominated for the two jobs in early 1977. Warnke's replacements were retired Lt. General George Seignious—a member of the SALT negotiating team for the last year who will become ACDA Director—and Ralph Earle, Warnke's deputy SALT negotiator who will take over as chief negotiator. Both are considered relative hardliners on arms control and their appointments are intended to improve the administration's prospects for selling SALT to the Senate.

The desire to dampen congressional opposition to SALT II was probably also a factor in Carter's decision October 25 to approve the production of special warhead components which would allow Lance missiles and artillery shells to be converted to neutron weapons.

The specific terms of the emerging agreement as they have been reported so far are also likely to win support from some of the hardline SALT critics in the Senate, which has to approve a new SALT treaty by a two-thirds vote.

The agreement will not foreclose development of any of the major strategic weapons systems planned by the Pentagon, and it will not lead to a reduction of defense spending. General David Jones, chairman of the Joint Chiefs, told *U.S. News & World Report* October 30 that in fact the U.S. will need to increase spending on strategic forces regardless of SALT, although the increase should be less with an "equitable SALT agreement" than without one. Jones said the U.S. still will modernize "the three legs of our strategic triad," that is, land-based missiles (ICBMs), submarine-launched ballistic



Vance and Gromyko in Moscow

missiles (SLBMs) and strategic bombers. The SALT terms reportedly agreed to so far include the following:

- **Cruise missiles:** Air-launched cruise missiles will be allowed unlimited range. The U.S. had agreed earlier to limit the air-launched version of the cruise missile to a range of 1,550 miles, but the Pentagon later objected and the U.S. tried to renegotiate this point. Last month during their talks in New York, Soviet Foreign Minister Gromyko waved his hand at Vance and said: "You can fly your air-launched cruise missiles around the world if you like." In a report disputed by the Pentagon, *Aviation Week* attributed Soviet flexibility to a successful test of a MIG-25 against a drone simulating a cruise missile.

At the same time, the Soviets have tried to hold the U.S. to an earlier agreement that sea-launched and ground-launched cruise missiles would be limited in range to 370 miles. This may be the most difficult remaining issue in the negotiations. The U.S. has been under intense pressure from NATO allies to retain the option of deploying ground-launched cruise missiles in Europe with a range of over 370 miles capable of hitting the Soviet Union.

- **Missile modernization:** A protocol attached to the SALT II accord would ban testing and deployment of mobile ICBMs. The Soviets reportedly have agreed not to deploy their SS-16 ICBM as a mobile missile through the life of the treaty, which runs to 1985.

- **Warheads and MIRVs:** The agreement would limit the total number of bombers and missiles deployed by each side (referred to as "launchers") to 2,400, a ceiling that would later be reduced to 2,250 at a yet-to-be-decided date. Of these, 1,200 can be ICBMs or SLBMs with multiple warheads (MIRVs). An additional 120 launchers can be bombers with cruise missiles. There is a dispute,

however, over the number of cruise missiles that can be carried by each bomber. The U.S. has obtained Soviet agreement to limit the number of warheads on each MIRVed missile. Already deployed MIRVed missiles would be limited to the maximum number of warheads with which they have been tested. New ICBMs and SLBMs would be limited to 10 warheads each. This reduces the threat to the U.S. of "heavy" Soviet missiles such as the SS-18, which can theoretically carry 20 to 40 warheads each.

- **Bombers:** Soviet and U.S. negotiators are still haggling over assurances to be given by Moscow that the Backfire bomber will not pose a strategic threat to the U.S. The administration has tried to limit the production rate and refueling capabilities of the Backfire, as well as restricting where the bomber is based, while agreeing to keep the bomber outside the SALT treaty's limitations. Final agreement on this contentious issue may be left to a Carter-Brezhnev summit. In the meantime, the White House reportedly has softened the Joint Chiefs' demands for Backfire restrictions by planning to include a statement with the SALT II treaty that the U.S. reserves the right to deploy a similar bomber.

According to U.S. officials, SALT II will not solve the problem of the theoretical "vulnerability" of U.S. ICBMs to a Soviet first strike in the mid-1980s. The administration has been under strong pressure from within the government and from Congress to consider mobile launchers or some type of "shell game"—such as the Multiple Aim Points or MAPS system—to increase the survivability of U.S. ICBMs. MAPS—which would shuttle an ICBM between 10 to 20 holes greatly increasing the number of potential targets at which the Soviets would have to aim their warheads—was a leading contender among the proposals. But it has been sharply attacked for its high cost, its potential impact on the environment, its technical shortcomings and the problems it presents for verification. U.S. officials contend that SALT II would not prohibit MAPS, but Carter has expressed doubts about the proposal publicly.

Despite the specific terms of SALT II—if it is finalized—Carter faces a tough fight for Senate ratification. Columnist James Reston suggested October 15 that "the opposition to anything except assured U.S. superiority in present and future weapons systems is formidable and well-organized." —BANNING GARRETT

U.S. Sales Pitch to Palestinians

While the Egyptian-Israeli peace talks proceed in Washington under the watchful eye of President Carter, U.S. officials are also engaged in a quiet campaign to persuade moderate West Bank Palestinian leaders to get involved in negotiations with Israel. So far, not a single prominent Palestinian has come out in favor of the Camp David accords or offered to participate in talks with Israel aimed at setting up an autonomous administrative council in the West Bank and Gaza.

The summit accords outline a complex formula under which Palestinians would first join Egyptian and Jordanian delegations to negotiate with Israel over the setting up of such a council. Thereafter, the elected West Bank and Gaza representatives would negotiate directly with Egypt, Jordan and Israel over the "final status" of their areas.

The objections most frequently raised by West Bank and Gaza Palestinians are: that the framework does not require full Israeli withdrawal from the occupied territories, including East Jerusalem; that it does not give the Palestinians the right to set up their own state if they so choose; that it does not include the PLO as a negotiating partner in the talks; and that it tends to split Palestinians living in Israel from those in exile. Prime Minister Begin's dispute with President Carter over whether Israel promised to freeze new settlement activity on the West Bank even after an Egyptian peace agreement is signed has reinforced the conviction among Palestinians that Israel will not allow them genuine self-determination. That impression has been further strengthened by Begin's insistence on Israel's right to expand existing settlements now, and his statements that "Israel will not accept a Palestinian state on its borders, not even if the council to be set up under the self-rule scheme votes to establish it."

Political meetings and rallies—allowed on the West Bank and Gaza for the first time in 11 years—have all denounced the summit accords. Pro-PLO leaders, including the mayors of all the main towns on the West Bank, have totally rejected the summit framework. A meeting of 100 political, trade union, religious and professional leaders last month called for an independent state led by the PLO and urged followers to boycott any elections called by Israel to set up a "self-governing authority" on the West Bank and Gaza. The militant mayor of Ramallah, Kareem Khalaf, maintains that among West Bank Palestinians "99.999 percent are against

autonomy."

Even the more conservative West Bank notables associated with Jordan's King Hussein—Jordan ruled the area from 1948-67—have either opposed the Camp David formula or remained silent. Elias Freij—the moderate, pro-Jordanian mayor of Bethlehem—initially welcomed the summit plan, but then backed off, warning that once Israel signs a treaty with Egypt "our chances of getting anything will be almost nil." Freij and other moderate Palestinians told Assistant Secretary of State Harold Saunders at a meeting in East Jerusalem last month that the Camp David agreements are "insufficient to meet the minimal demands of our people."



Ramallah Mayor Kareem Khalaf

It is the U.S., more than Israel, which appears to be pushing the Camp David plan among West Bank Palestinians. Several high U.S. officials have held meetings with West Bank moderates—although many who were invited to the discussions did not attend. Two senior U.S. officials appear in 30-minute films distributed to U.S. embassies in the Mideast presenting the case for the accords. The main U.S. line of argument is that the Camp David framework is not a completed plan, that it opens a dynamic process whose nature and outcome will be determined by those who participate in it. The framework, they argue, provides Palestinians with an opportunity to advance toward their goal of self-determination. U.S. officials have reportedly encouraged West Bank leaders to see a parallel between what is happening in the Sinai and their own future. As added assurance, the Carter administration is stressing that the U.S. does not support Israeli annexation of East Jerusalem and that it considers Israeli settlements in occupied territory illegal.

However, the Begin government appears determined to make it clear that these American views are opposed by Is-

rael and are not included in the summit accord. That was one of the reasons for Begin's announcement October 25 that Israel will expand its West Bank settlements, and for reports that Begin is considering moving his office and that of the foreign ministry to East Jerusalem. The government, said one Israeli official, wants to demonstrate "that there is a clear difference between the West Bank and the Sinai situation."

There is speculation in Israel that some in the government—possibly including Begin, possibly not—would be relieved if Jordan and Palestinian leaders remained intransigent. David Landau, a leading writer for the *Jerusalem Post*, last month described one "form of cynicism detectable in Jerusalem" which he said "whispers with hopeful confidence that nothing will happen on the West Bank and in Gaza, that there will be no negotiations on the 'final status' of these areas, because the Jordanians and the Palestinians will not come forward to negotiate. Consequently Israel will continue to hold these areas . . . And meanwhile peace and good neighborliness will reign between Israel and Egypt, and the threat of another war on all fronts will have receded forever."

If Jordan and prominent Palestinians do indeed reject negotiations, Israel says it will go ahead with plans to set up a "self-governing authority" in the West Bank and Gaza. The Israeli government has two committees working on contingency plans. One, under the defense ministry, is focusing on the details of dismantling the Israeli military government and replacing it with a locally run structure. A second, inter-ministerial committee of high government officials is discussing the political implications of the autonomy plan.

According to a report last month in the *Washington Post*, "a significant number of policy makers in the military government believe that enlistment of a few minor Arab leaders in support of autonomy would be enough to get the plan started with the help of Palestinians who already work for the occupation government as civil servants." Three Palestinians mentioned as possible participants, says the *Post*, are widely known "as having close ties to Jordan and as being outspokenly against the PLO." It seems likely that the upshot of such a move, if it could be pulled off, would be to put forward a new "establishment" on the West Bank in place of the current, largely pro-PLO leadership. —JAN AUSTIN

China-Japan: New Alliance in Asia

Asia's two dominant powers—China and Japan—formally opened a new era in their relations late last month when Chinese Vice-Premier Teng Hsiao-ping traveled to Tokyo for a ceremony marking the completion of the Sino-Japanese peace and friendship treaty. The exchange of ratification documents—witnessed by Teng and Japanese Prime Minister Takeo Fukuda—was the culmination of a six-year process of on-and-off negotiations. The treaty had been signed in August and subsequently ratified by the two governments.

Despite Japanese disclaimers, the peace and friendship treaty—with its controversial "anti-hegemony" clause—has been widely interpreted as signaling a major Japanese tilt toward Peking. The Chinese—through official statements and press commentaries—have been taking every opportunity to stress their view that Japan has to some degree now joined in an anti-Moscow united front. While in Tokyo, Teng declared that the "central core" of the treaty is opposition to "hegemony"—Peking's code-word for the Soviet Union. U.S. support for the treaty has also contributed to the notion that the accord represents an important shift in the political and strategic balance in Asia against the Soviet Union.

Although Japan has explicitly stated that it will provide only economic—not military—assistance to Peking, China is making it clear that it hopes the relationship will eventually have a military component. The first Chinese official sent to Japan after the treaty was signed in August was Gen. Chang Tsai-chien, deputy chief of staff of the Chinese army. In September, the *Far Eastern Economic Review* reported that in a meeting with Japanese editorial writers, Vice-Premier Teng "implied that Japan should strengthen its defense capability, thus making an indirect contribution to China's security from the Soviet threat." A few days later, the same writers were told by a top Chinese army official that Peking wished to import advanced military technology from the industrialized countries including Japan.

Japanese officials, concerned about Moscow's hostile reaction to the treaty, have played down the strategic significance of the accord, stressing instead a clause which states that the treaty "does not affect [either party's] relations with third countries." Japan's foreign policy, they insist, still points in "all directions," and not just towards Peking. In hopes of taking some of the sting out of the treaty,

Fukuda has called on Japanese business to come up with some new ideas for expanding Japanese-Soviet trade. What worries the Soviets most deeply, however, is that—whether or not the new Sino-Japanese friendship constitutes an alliance—it will contribute significantly to strengthening the economic, industrial and therefore military might of China.

There is no question that the new Sino-Japanese relationship has far-reaching economic implications. The friendship treaty is expected to strengthen trade ties already formalized in February when China and Japan signed a long-term trade agreement. Even before the trade pact was signed, Japan was China's biggest trading partner. The February agreement provides for \$20 billion in trade, equally divided, over the next eight years. China will supply crude oil and coal to Japan in return for exports of steel, industrial plants and technology.

The agreement is designed to feed into China's massive 10-year modernization plan which covers the years 1976-85. In that period, China intends to build 120 major industrial projects including 10 iron and steel complexes, nine nonferrous metal complexes, eight coal mines, 10 oil and gas fields, 30 power stations, six new rail lines and five harbor projects. At the same time, the new trade will also be a shot in the arm to Japanese heavy industry—especially the steel industry, which took the lead in negotiating the trade accord—by providing new markets at a time when Japanese sales in the U.S. and Europe are coming under heavy protectionist pressures.

Japanese industrialists are far ahead of their European and U.S. competitors in firming up business deals with China. In the first half of 1978, 50 Chinese trade missions visited Japan. Six months after the trade accord was signed, it was extended to 1990. China had already reportedly ordered \$5 billion worth of goods from Japan and was negotiating for \$5 billion more. The biggest Japanese deal so far has been the Paoshan steel mill in Shanghai which will cost over \$2 billion. Japanese firms have also signed contracts for a synthetic leather factory, two ethylene plants and a series of color TV plants. Final agreement for Japan's National Oil Company to drill for oil in the Po Hai Gulf is expected soon.

The two main problems which Japan faces in connection with its new China trade concern the quality of Chinese oil and the methods for financing sales to Peking. Japanese oil companies are not



Teng (left) with Prime Minister Fukuda

eager to buy Chinese crude oil because it has a high wax content and will require expensive new refining facilities. However, the government—eager to facilitate the China trade—is studying the possibility of building special refineries as a national project with cheap government financing.

Although the trade agreement provides for an equal exchange of trade, Chinese purchases will exceed those of Japan during the first few years. That means they will have to be financed. In the past, the Chinese government has rejected the idea of foreign loans as contrary to its policy of self-reliance. But recently Peking has indicated it is ready to negotiate foreign commercial loans, and that it will accept "commercially based" loans from Japan's Export-Import bank.

In addition to devising new policies on foreign loans, Chinese officials are also considering a variety of business relations that might be established with foreign capitalist firms. Among the types of arrangements which Peking officials have discussed with Japanese and other foreign business representatives are:

- setting up special Chinese-owned factories, and possibly special zones, to produce exclusively for export.
- joint ventures with foreign firms to be located in Hong Kong and Macao.
- production-sharing with foreign firms engaged in developing oil and other resources.
- pay-back arrangements to facilitate the purchase of plant, equipment and know-how. Under this arrangement a foreign firm would set up a complete plant in China and be paid back in the output of the factory rather than in cash.

With their headstart in the China trade, the Japanese are exploring the details of these and other possible arrangements, paving the way for other foreign capitalist firms to do business with Peking.

—JAN AUSTIN

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OIL POTENTIAL

As the significance of recent Mexican oil discoveries hits home in Washington, the Carter administration is trying to assess the potential effects of Mexican oil on the world energy situation and on U.S.-Mexico relations. Mexico's President José Lopez Portillo announced Sept. 1 that Mexico has proven oil reserves of 20 billion barrels and potential reserves totaling 200 billion barrels. Some say the Carter administration has tended to downplay Mexico's discoveries—at least publicly—to keep alive a sense of urgency in the U.S. about the energy crisis. But in a rare public comment on Mexico, energy chief James Schlesinger said last month that Mexico is in fact "like a small Saudi Arabia" in its oil potential.

According to the *Washington Post*, a high-level inter-agency study group has been working on a Presidential Review Memorandum PRM-41 aimed at laying out just what Mexico's potential is and how the U.S. can benefit from it. The *Post* says the study will outline a "possible linkage of energy, trade and immigration policies to encourage higher Mexican oil and gas production." Ultimately, the administration goal would be to use Mexican oil to become less dependent on Middle East suppliers.

In Mexico, critics of the Carter administration's immigration policies (*IB*, Vol. 5, no. 10) say a recently announced U.S. plan for the construction of a high electronic fence on the U.S. border is part of a new over-all strategy towards Mexico. In this view the decision to get tough on incoming undocumented workers is a bargaining chip which will be used to "encourage" Mexico to go all-out in producing its oil and to export a large portion of it to the U.S.

SOVIETS WORRY ABOUT WESTERN AID TO PEKING

The Soviet Union has warned several Western European countries that selling arms to China is likely to cause "very big damage" to bilateral relations with Moscow and could even bring about unspecified retaliation, according to a report late last month in the *Washington Post*. Western diplomats, however, told the *Post* that they did not think the Soviets could follow through on their threats.

Soviet concern over Western arms sales to China was reportedly one of the items on the agenda during a visit by Soviet Foreign Minister Gromyko to France Oct. 25-28. Both sides played down the potential dispute, but there was widespread speculation that Gromyko expressed Soviet unhappiness over French plans to sell advanced technology, including weapons, to Peking. Gromyko's arrival followed a visit the week before by a high-level Chinese delegation. During the Chinese visit, France said that it had agreed to sell Peking Milan and HOT anti-tank and Crotale anti-aircraft missiles. France and China also signed a wide-ranging scientific and technical cooperation agreement, including nuclear and space research.

Meanwhile, Energy Secretary James Schlesinger has just paid a 2-week visit to China with the double mission of discussing cooperation in energy and reassuring Peking about current SALT talks and Washington's commitment to expanding relations with China. Schlesinger told officials that the U.S. relationship with Peking is "central to our global policy." As Schlesinger left, Agriculture Sec. Bob Bergland arrived in China Nov. 4 at the head of a high-level government delegation which will discuss agricultural trade and cooperation. Agriculture

Dept. officials told reporters that China has decided to turn to the U.S. for agricultural technology, ranging from farm machinery to new seed varieties.

SHAH'S CRISIS DEEPENS

As striking petroleum workers last week shut down Iran's crucial oil industry, Pres. Carter threw his personal prestige behind the embattled shah. "Our friendship and alliance with Iran," Carter said "is one of the important bases on which our entire foreign policy depends." "We wish the shah the best," he added.

According to the Iranian government, 37,000 refinery workers were on strike, oil terminals were shut down and natural gas supplies to the Soviet Union were disrupted. Some reports say that strikes in the oil industry had virtually cut off exports for nearly a month. Iran's losses from the shutdown are estimated at \$60 million a day. In addition to seeking wage increases, oil workers presented political demands including an end to martial law, release of all political prisoners, and trial of the former head of the Iranian secret police (SAVAK). Half the country's 1 million public workers were on strike last week.

Even before the oil strike, the shah was facing serious economic problems as a result of months of political unrest and widespread strikes. The government has announced wage increases—which some say could cost \$4 billion in the next 3 years—in an unsuccessful attempt to end the paralyzing national strikes. Last month, Iran notified the U.S. that—in order to pay for wages and other programs—it planned to drastically cut spending for arms and nuclear energy. Iran will defer major arms purchases, including 70 F-14s from Grumman and 140 F-16s from General Dynamics. All but 4 to 6 out of 20 planned nuclear power plants are also being scrapped.

Despite martial law, demonstrations continue almost daily throughout Iran. The focus of the protests has shifted in recent weeks from the mosques to the campuses. According to government officials, the shah will try to avoid major confrontations with protestors in hopes that the unrest will "burn itself out" and that the militants will alienate their more moderate allies. Meanwhile, the head of the opposition National Front met in Paris with the exiled religious lead Ayatollah Khomeini Oct. 29 and said they were "in complete agreement" in their struggle against the shah. Khomeini told *Newsweek* this month that if current tactics do not work to bring down the shah, he might "consider giving permission for an armed popular struggle."

HEAVY NEW FIGHTING EXPECTED SOON

There has been a noticeable increase in clashes along the Vietnam-Cambodia border in recent weeks, and virtually every close observer of the situation is predicting that this is the prelude to a new Vietnamese offensive aimed at undoing the Pol Pot government in Cambodia. The anticipated offensive is expected to unfold when the current rainy season ends, this month or in early December.

There is no doubt that Vietnam has been building up its military forces along the border in the months since the last round of heavy fighting in June. In recent weeks, 10-15,000 reinforcements have reportedly moved south, bringing Vietnam's forces in the border area to an estimated 100,000. New shipments of Soviet weapons were reported in August. Precisely what Vietnam intends to do with its military capability on the border remains a mystery. U.S. officials have told reporters they do not think Vietnamese troops will try to drive deep into

Cambodia or to take the capital, Phnom Penh. Instead, they say, Hanoi's strategy relies on a force of some 20,000 Cambodian rebels, armed and backed by Vietnam. The insurgent forces are reportedly headed by a former vice-president and member of the Cambodian Communist Central Committee, So Phim. Vietnamese military actions are expected to be aimed at decimating the Cambodian army, rather than at occupying territory. By engaging the Cambodian army on the east, Vietnam may also hope to facilitate popular uprisings in other parts of the country.

Estimates of the strength and staying power of the Pol Pot government vary. The appearance of Prince Norodom Sihanouk at a public function last month for the first time in over 2 years is seen as an indication that the government is indeed in difficulty and needs the Sihanouk image to gain wider support. The government has also been trying to improve its image abroad through diplomatic forays into southeast Asia and by inviting UN Secretary-General Waldheim to visit Cambodia. In the end, however, the key question for Cambodia may be how far China is willing to go to keep Pol Pot from falling. A recent rash of Chinese air and ground incursions along Vietnam's northern border is being seen as an effort to divert Vietnamese pressure from Cambodia.

GOVERNMENT STRIKES OUT AT LEFT UNIONS

In a new attempt to gain control of Chile's historically militant labor movement, the military government outlawed 7 labor organizations Oct. 20, leaving up to half a million workers without union representation. The Minister of the Interior said that the unions were banned and their property seized because of their Marxist political orientation. Two farmworker unions, and the construction, textile, engineering and mineworkers' confederations were outlawed, as was the Santiago branch of the construction workers' confederation. They were all headed by leftist officials. On October 26 representatives of the "dissolved" unions held a press conference in a Catholic church agency devoted to ministering to workers. They announced their organizations would continue to function as openly as possible and said they refused to go "underground" where the government could repress them more brutally.

Shortly after outlawing the 7 organizations, the government gave workers in the remaining unions in private industry less than a week's notice that they would be expected to elect new officers Oct. 31 to "reestablish labor normalcy."

The government is clearly trying to head off rising labor militancy, since the success of the junta's monetarist economic plan depends on the existence of a cheap and intimidated work

force. In recent weeks there have been significant protests—for higher wages and union liberties—at the Chuquibambilla copper mine, in the Huachipato steel mill, and in the Lota coal mines. The AFL-CIO has announced it will call for a national boycott of Chilean goods if trade union freedoms are not restored by this month.

AMIN'S TROOPS INVADE TANZANIA

After claiming for 3 weeks that Tanzania had invaded Uganda, the Idi Amin regime finally admitted Nov. 1 that Ugandan troops had actually attacked and occupied **Uganda** Tanzania. Amin's forces—reportedly as many as 3,000 soldiers supported by tanks and artillery—claimed to have occupied a 710-square-mile area of Tanzanian territory west of Lake Victoria. The Tanzanian government said last week that it had shot down 3 Ugandan warplanes which were on bombing raids against Bukoba and other Tanzanian border towns.

There is still no word on exactly how the fighting started between the two East African neighbors. However, the most persistent story—quoted again last week by Reuters—is that the border war originated when a Ugandan army unit mutinied. Diplomatic sources in Nairobi say the Ugandan rebels from the Simba battalion fled across the border into Tanzania and were pursued by Ugandan troops.

Relations between Tanzania and Uganda have been bad ever since Amin overthrew Ugandan Pres. Milton Obote in a 1971 military coup. Obote has lived in exile in Tanzania ever since. In 1972 his followers—Ugandan exiles—staged an abortive invasion from bases in Tanzania. Pres. Julius Nyerere of Tanzania has denounced Amin as a “fascist” who has maintained a reign of terror in Uganda since he seized power with the initial backing of Israel and Britain—and at least with the knowledge, if not the active support, of the CIA.

Last month, Congress voted a trade embargo against Uganda, which had prospered from a brisk trade with U.S. coffee companies.

IMPORTANT NOTE: Our apologies to those of you who had trouble receiving your last issue. Due to an error on the part of our mailing house, some subscribers who recently moved or had other changes in their sub missed an issue. We appreciate your letting us know about it—it was through reader calls and letters that we were able to locate the error. We'll be extending your subscriptions automatically and we'll be glad to send you back issues on request. Thanks for your patience.

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CHINA: Hailing China's entry into the International Gymnastics Federation, Peking said that athletes from Taiwan are welcome to come to China to compete whenever they wish. (Reuter 10/24) • **TAIWAN:** Pres. Carter rejected a request from Taiwan to buy a special version of the F-5 fighter called the F-5G. (AP 10/24) • **LEBANON:** Pres. Sarkis is planning trips to Washington and Paris to seek help in strengthening the Lebanese army. (*Washington Post* 10/26) The mandate of the Arab Deterrent Forces in Lebanon was extended for 6 months. (Reuter 10/26) • **LIBYA:** Despite disagreements with the U.S. on almost every major issue, Libya is quietly seeking to improve diplomatic and trade ties with Washington. (*Christian Science Monitor* 10/25) • **RHODESIA:** A record 1,776 white Rhodesians emigrated from the country last month. (Reuter 10/30) • **SOMALIA:** A top U.S. envoy flew to Somalia for talks with the government on possible U.S. arms aid. (AP 10/20) • **AID:** Major industrial countries are giving less than one-third the aid promised last year to poor countries, according to a UN report. (Reuter 10/23) • **ARGENTINA:** Parts of Buenos Aires underwent a blackout drill for the first time since WW II, as talks resumed between Argentina and Chile on their bitter dispute over control of islands in the Beagle Channel. (Reuter 10/24)

10/24) • **BRAZIL:** A federal judge ruled that the Brazilian military government was responsible for the death 3 years ago of Vladimir Herzog, a journalist widely believed to have been tortured to death while under army custody. (New York Times 10/30) At least 50,000 metal workers went on strike after thousands of housewives staged demonstrations waving empty saucers to protest the high cost of living. (Reuter 10/30) • **CHILE:** Chile signed a contract last week to supply China with 30,000 tons of copper per year from 1978-1980. (*Latin America Commodities Report* 10/13) • **MEXICO:** Pres. Lopez Portillo arrived for a 6-day visit to China. (Reuter 10/24) • **PERU:** The government closed all universities and colleges in the capital following violent demonstrations over a recent big increase in public transportation fares. (Reuter 10/24) • **PORTUGAL:** The government has resumed the handing back of expropriated land to former owners and ordered peasants to leave 3 communist-controlled collectives in the southern grainbelt of Alentejo. (*Financial Times* 10/13) • **SPAIN:** The parliament approved a new constitution defining Spain as a parliamentary monarchy with King Juan Carlos as head of state. (Reuter 10/31)

Nicaragua

[continued from page 1]

the economy. Its power now derives largely from the fact that the U.S. has allotted it the role of representing the anti-Somoza opposition at the mediation talks. In general, the FAO suffers from the lack of an identifiable political base willing to fight for its blueprint for change.

That blueprint calls for Somoza's immediate resignation and the departure of Somoza and his family from the country, presumably to the United States. If he refuses to resign, the proposal calls for Nicaragua's Congress to declare him "incapacitated" and remove him. Then, after a series of transitional phases, a Council of State made up of representatives of the Broad Front and two members of Somoza's National Liberal Party would select a provisional, civilian "government junta" to rule until 1981, when elections would be held.

In a communique released October 26, *Los Doce* denounced the plan for including Somoza's National Liberal party in the transition process. *Los Doce* also criticized the plan's failure to grapple with reorganizing the National Guard. *Los Doce* and the Sandinistas have demanded that any interim government "dismantle" Somoza's political party (which controls the government apparatus), "restructure" the National Guard, and nationalize Somoza's property. *Los Doce* also denounced the U.S. mediators' behavior as amounting to "intervention," and charged that the Carter administration was actively seeking a solution to the crisis which would leave existing economic and military structures intact so as not to rock the Central American boat.

• **The Sandinista National Liberation Front (FSLN):** Though the three main factions of the FSLN have theoretically agreed to coordinate military activities and solidarity work abroad, they openly disagree on several crucial questions, including whether or not major new attacks should be launched soon.

The *Tercerista* faction of the FSLN is

the best known. It was responsible for many of the attacks on the National Guard of the past year and for the daring take-over of the National Palace in August, and it helped launch the September national insurrection.

The *Terceristas* were skeptical of the mediation from the beginning and are now, along with *Los Doce*, working to attract opposition groups from the Broad Front into a new opposition coalition.

A new *Tercerista* offensive is expected soon. The group has by all reports received hundreds of new recruits, including some volunteers from all over Latin America, especially Panama. Journalists who have visited *Tercerista* training camps report seeing bazookas, rocket launchers, and large-caliber machine guns, all captured from the National Guard or bought on the black market. The *Tercerista* goal, according to Daniel Ortega Saavedra, a founder of the FSLN and member of the National leadership, is to bring about the formation of "a democratic government, a government that joins together all those who fought against Somoza." He said, "In the past, there were those who wanted a more radical change to follow the fall of Somoza. Now we see that this is not possible for a number of geopolitical reasons."

Eden Pastora, the celebrated "Zero" of the National Palace takeover last September, was appointed commander of the Sandinista army late last month. Pastora is taking on an increasingly public role as spokesperson for the *Terceristas*. Reports from Costa Rica indicate that Venezuelan and Panamanian aid for the FSLN are contingent on his leadership, presumably because he has continually emphasized his non-communist politics and his desire to see a "Costa Rican-type democracy in Nicaragua."

The other two factions of the FSLN have much lower profiles. The Proletarian Tendency has criticized the *Terceristas* for encouraging the September insurrection before people were properly prepared to defend themselves, and both it and the Prolonged People's War Tendency, which is reportedly strong in Estelí and León, oppose large-scale attacks now, which they consider suicidal. They have both helped form an opposition coalition called the Movement of the United People.

• **President Somoza and the National Guard:** Somoza's preliminary reaction to the opposition plan for his resignation was to dismiss it as "idealistic." He has so far refused to consider resigning before his term ends in 1981 and he says he is ready for new Sandinista attacks. He claims the National Guard is now

strengthened by 2,000 new recruits as well as new military supplies, mainly from Israel. Somoza spends most of his time now in his "bunker," surrounded by troops and two concrete walls.

The role of the U.S. government in the past month's events has been the subject of much controversy in Nicaragua. Somoza has charged that the Carter administration is trying to get rid of him. *Los Doce* and the FSLN concede that the U.S. is encouraging Somoza to resign but say the U.S. "mediators" are also working furiously behind the scenes to build an alternative government that would bring "a change that changes nothing." According to this view, the head U.S. mediator, William Bowdler, and his assistants, Malcolm Barnaby and James Cheek, have used the mediation to gain time while they assess the relative strengths of different groups and decide which ones to help fortify in order to try to isolate the Sandinistas and their supporters.

Meanwhile, the economy's growth rate has dropped to zero, unemployment has shot up, refugees are streaming out of Nicaragua, and there is still martial law and a lack of fundamental constitutional guarantees. The National Guard continues to round up suspected Sandinista sympathizers, and paramilitary groups linked to the government have stepped up attacks on opposition leaders. People are waiting for a new outbreak of fighting.

—ELIZABETH FARNSWORTH

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